

FILED MAR 7 1985

I certify that the attached is a true and
correct copy of HJR 73 which
was filed on MAR 19 1985 and
referred to the committee on
HOUSE OF REPRESENTATIVES
Insurance

Betty Murray

Chief Clerk of the House

By *Osby St*

HJ.R. No. 73

A JOINT RESOLUTION

proposing a constitutional amendment to allow political subdivisions to purchase certain mutual insurance.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Section 52(a), of the Texas Constitution is amended to read as follows:

(a) Except as otherwise provided by this section, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. However, this section does not prohibit the use of public funds or credit for the payment of premiums on nonassessable life, health, or accident insurance policies and annuity contracts issued by a mutual insurance company authorized to do business in this state.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 4, 1986. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment permits political subdivisions the opportunity to purchase from mutual insurance companies in the same manner as other insurance is purchased."

HOUSE COMMITTEE REPORT

1st Printing

By Smith of Harris

H.J.R. No. 73

Substitute the following for H.J.R. No. 73:

By Smith of Harris

C.S.H.J.R. No. 73

A JOINT RESOLUTION

1 proposing a constitutional amendment to allow political
2 subdivisions to purchase certain mutual insurance.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article III, Section 52(a), of the Texas
5 Constitution is amended to read as follows:

6 (a) Except as otherwise provided by this section, the
7 Legislature shall have no power to authorize any county, city, town
8 or other political corporation or subdivision of the State to lend
9 its credit or to grant public money or thing of value in aid of, or
10 to any individual, association or corporation whatsoever, or to
11 become a stockholder in such corporation, association or company.
12 However, this section does not prohibit the use of public funds or
13 credit for the payment of premiums on nonassessable life, health,
14 or accident insurance policies and annuity contracts issued by a
15 mutual insurance company authorized to do business in this State.

16 SECTION 2. This proposed constitutional amendment shall be
17 submitted to the voters at an election to be held on November 4,
18 1986. The ballot shall be printed to provide for voting for or
19 against the proposition: "The constitutional amendment allowing
20 political subdivisions the opportunity to engage in and transact
21 business with authorized mutual insurance companies in the same
22 manner as with other insurance companies."

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

April 10, 1985
(date)

Sir:

We, your COMMITTEE ON INSURANCE, to whom was referred H. J. R. 73 have had the same under consideration and beg to report back with the recommendation that it (measure)

- () do pass, without amendment.
() do pass, with amendment(s).
(X) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (X) yes () no

An actuarial analysis was requested. () yes (X) no

An author's fiscal statement was requested. () yes (X) no

The Committee recommends that this measure be placed on the Local or Consent Calendar.

This measure (X) proposes a constitutional amendment new law. () amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

[illegible]

Total

5	aye
0	nay
0	present, not voting
4	absent

CHAIRMAN

Laura Cal
COMMITTEE COORDINATOR

Bill Analysis

Background

The Texas Constitution, Article III, Section 52(a), prohibits counties, cities, towns, or other political corporations or subdivisions of the State from becoming stockholders in any association, corporation, or company. Because mutual insurance companies are corporations, and their policyholders own the insurance company, such counties, cities, towns, or other political corporations or subdivisions are prohibited from using public funds to purchase nonassessable life, health, or accident insurance contracts or annuity contracts from mutual insurance companies authorized to do business in Texas.

Purpose

As proposed, H. J. R. 73 would propose a constitutional amendment permitting counties, cities, towns, and other political subdivisions to purchase certain nonassessable mutual insurance contracts.

Analysis

SECTION 1. Amends Article III, Section 52(a), of the Texas Constitution, to permit counties, cities, towns, and other political subdivisions to use public funds or credit for the payment of premiums on nonassessable life, health or accident policies or annuity contracts issued by an authorized mutual insurance company.

SECTION 2. The proposed constitutional amendment shall be submitted to the voters at an election to be held on November 4, 1986 using the following wording: "The constitutional amendment permits political subdivisions the opportunity to purchase from mutual insurance companies in the same manner as other insurance is purchased."

Rulemaking Authority

It is the committee's opinion that this joint resolution does not confer any additional rulemaking authority to any state officer, agency, department or institution.

Summary of Committee Action

Public notice was posted in accordance with the Rules of Procedure of the House of Representatives and a public hearing was held on April 10, 1985.

The following persons testified in favor of C.S.H.J.R. 73:

Representative Ashley Smith.

Kenneth Tooley, Executive Vice President, Texas Association of Life Underwriters, representing the Texas Association of Life Underwriters.

The record shows the following person in favor of C.S.H.J.R. 73:

Patricia F. Broline, attorney, representing the Texas Association of Life Underwriters.

On April 10, 1985, the full committee voted to report H.J.R. 73, as substituted, to the House with the recommendation that it do pass by a record vote of five (5) ayes and no (0) nays.

Comparison of Differences between C.S.H.J.R. 73 and H.J.R. 73.

SECTION 2. of C.S.H.J.R. 73 changes the wording of the proposition to be balloted upon by the voters on November 4, 1986 to "The constitutional amendment allowing political subdivisions the opportunity to engage in and transact business with authorized mutual insurance companies in the same manner as with other insurance companies."

The wording of the proposition in H.J.R. 73 would have been "The constitutional amendment permits political subdivisions the opportunity to purchase from mutual insurance companies in the same manner as other insurance is purchased."

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 10, 1985

Honorable John J. Gavin, Chair
Committee on Insurance
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 73
By: Smith

Sir:

In response to your request for a Fiscal Note on House Joint Resolution No. 73 (proposing a constitutional amendment to allow political subdivisions to purchase certain mutual insurance) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds.

The cost of publication of the resolution to the State is \$48,100.

No additional fiscal implication to the State or units of local government is anticipated.


Jim Oliver
Director

Source: Board of Insurance; Secretary of State
LBB Staff: JO, JH, LN, DS

By Smith of Harris

H.J.R. No. 73

Substitute the following for H.J.R. No. 73:

By

Smith, A

C.S.H.J.R. No. 73

A JOINT RESOLUTION

1 proposing a constitutional amendment to allow political
2 subdivisions to purchase certain mutual insurance.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article III, Section 52(a), of the Texas
5 Constitution is amended to read as follows:

6 (a) Except as otherwise provided by this section, the
7 Legislature shall have no power to authorize any county, city, town
8 or other political corporation or subdivision of the State to lend
9 its credit or to grant public money or thing of value in aid of, or
10 to any individual, association or corporation whatsoever, or to
11 become a stockholder in such corporation, association or company.
12 However, this section does not prohibit the use of public funds or
13 credit for the payment of premiums on nonassessable life, health,
14 or accident insurance policies and annuity contracts issued by a
15 mutual insurance company authorized to do business in this State.

16 SECTION 2. This proposed constitutional amendment shall be
17 submitted to the voters at an election to be held on November 4,
18 1986. The ballot shall be printed to provide for voting for or
19 against the proposition: "The constitutional amendment allowing
20 political subdivisions the opportunity to engage in and transact
21 business with authorized mutual insurance companies in the same
22 manner as with other insurance companies."

HOUSE ENGROSSMENT

By Smith of Harris

H.J.R. No. 73

A JOINT RESOLUTION

1 proposing a constitutional amendment to allow political
2 subdivisions to purchase certain mutual insurance.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article III, Section 52(a), of the Texas
5 Constitution is amended to read as follows:

6 (a) Except as otherwise provided by this section, the
7 Legislature shall have no power to authorize any county, city, town
8 or other political corporation or subdivision of the State to lend
9 its credit or to grant public money or thing of value in aid of, or
10 to any individual, association or corporation whatsoever, or to
11 become a stockholder in such corporation, association or company.
12 However, this section does not prohibit the use of public funds or
13 credit for the payment of premiums on nonassessable life, health,
14 or accident insurance policies and annuity contracts issued by a
15 mutual insurance company authorized to do business in this State.

16 SECTION 2. This proposed constitutional amendment shall be
17 submitted to the voters at an election to be held on November 4,
18 1986. The ballot shall be printed to provide for voting for or
19 against the proposition: "The constitutional amendment allowing
20 political subdivisions the opportunity to engage in and transact
21 business with authorized mutual insurance companies in the same
22 manner as with other insurance companies."

1 By: Smith of Harris (Senate Sponsor - Montford) H.J.R. No. 73
2 (In the Senate - Received from the House May 6, 1985;
3 May 6, 1985, read first time and referred to Committee on Economic
4 Development; May 17, 1985, reported favorably; May 17, 1985, sent
5 to printer.)

6 A JOINT RESOLUTION

7 proposing a constitutional amendment to allow political
8 subdivisions to purchase certain mutual insurance.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

10 SECTION 1. Article III, Section 52(a), of the Texas
11 Constitution is amended to read as follows:

12 (a) Except as otherwise provided by this section, the
13 Legislature shall have no power to authorize any county, city, town
14 or other political corporation or subdivision of the State to lend
15 its credit or to grant public money or thing of value in aid of, or
16 to any individual, association or corporation whatsoever, or to
17 become a stockholder in such corporation, association or company.
18 However, this section does not prohibit the use of public funds or
19 credit for the payment of premiums on nonassessable life, health,
20 or accident insurance policies and annuity contracts issued by a
21 mutual insurance company authorized to do business in this State.

22 SECTION 2. This proposed constitutional amendment shall be
23 submitted to the voters at an election to be held on November 4,
24 1986. The ballot shall be printed to provide for voting for or
25 against the proposition: "The constitutional amendment allowing
26 political subdivisions the opportunity to engage in and transact
27 business with authorized mutual insurance companies in the same
28 manner as with other insurance companies."

29 * * * * *

30 Austin, Texas
31 May 17, 1985

32 Hon. William P. Hobby
33 President of the Senate

34 Sir:

35 We, your Committee on Economic Development to which was referred
36 H.J.R. No. 73, have had the same under consideration, and I am
37 instructed to report it back to the Senate with the recommendation
38 that it do pass and be printed.

39 Harris, Chairman

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 10, 1985

Honorable John J. Gavin, Chair
Committee on Insurance
House of Representatives
Austin, Texas

In Re: House Joint Resolution No. 73
By: Smith

Sir:

In response to your request for a Fiscal Note on House Joint Resolution No. 73 (proposing a constitutional amendment to allow political subdivisions to purchase certain mutual insurance) this office has determined the following:

The resolution would make no appropriation but could provide the legal basis for an appropriation of funds.

The cost of publication of the resolution to the State is \$48,100.

No additional fiscal implication to the State or units of local government is anticipated.


Jim Oliver
Director

Source: Board of Insurance; Secretary of State
LBB Staff: JO, JH, LN, DS

F
ENROLLED

H.J.R. No. 73

A JOINT RESOLUTION

1 proposing a constitutional amendment to allow political
2 subdivisions to purchase certain mutual insurance.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article III, Section 52(a), of the Texas
5 Constitution is amended to read as follows:

6 (a) Except as otherwise provided by this section, the
7 Legislature shall have no power to authorize any county, city, town
8 or other political corporation or subdivision of the State to lend
9 its credit or to grant public money or thing of value in aid of, or
10 to any individual, association or corporation whatsoever, or to
11 become a stockholder in such corporation, association or company.
12 However, this section does not prohibit the use of public funds or
13 credit for the payment of premiums on nonassessable life, health,
14 or accident insurance policies and annuity contracts issued by a
15 mutual insurance company authorized to do business in this State.

16 SECTION 2. This proposed constitutional amendment shall be
17 submitted to the voters at an election to be held on November 4,
18 1986. The ballot shall be printed to provide for voting for or
19 against the proposition: "The constitutional amendment allowing
20 political subdivisions the opportunity to engage in and transact
21 business with authorized mutual insurance companies in the same
22 manner as with other insurance companies."

H.J.R. No. 73

President of the Senate

Speaker of the House

I certify that H.J.R. No. 73 was passed by the House on May 2, 1985, by the following vote: Yeas 125, Nays 1, 1 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 73 was passed by the Senate on May 27, 1985, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

RECEIVED: _____

Date

Secretary of State

HOUSE JOINT RESOLUTION

proposing a constitutional amendment to allow political subdivisions to purchase certain mutual insurance.

MAR 7 1985

1. Filed with the Chief Clerk.

MAR 13 1985

2. Read first time and referred to Committee on

InsuranceAPR 10 19853. Reported favorably ~~(as substituted)~~ and sent to Printer atAPR 11 198511:29APR 11 1985

4. Printed and distributed at

8:18 p.m.APR 12 1985

5. Sent to Committee on Calendars at

9:38 amMAY 2 19856. Read second time (amended) and (finally) passed to ~~Third Reading~~ by a Record Vote of 125 yeas, 1 nays, 1 present, not voting.as substituted

7. Motion to reconsider and table the vote by which H.J.R. _____ was ordered engrossed prevailed (failed) by (Non-Record Vote) (Record Vote of _____ yeas, _____ nays, _____ present, not voting).

8. Read third time (amended) and finally adopted (failed of adoption) by a Record Vote of _____ yeas, _____ nays, _____ present, not voting.

9. Caption ordered amended to conform to body of resolution.

10. Motion to reconsider and table the vote by which H.J.R. _____ was finally adopted prevailed (failed) by a (Non-Record Vote) Record Vote of _____ yeas, _____ nays, and _____ present, not voting).

MAY 2 1985

11. Ordered Engrossed at

1:09 pmMAY 3 1985

12. Engrossed.

MAY 3 1985

13. Returned to Chief Clerk at

9:28 amMAY 4 1985

14. Sent to the Senate.

Betty Murray
Chief Clerk of the HouseMAY 6 1985

15. Received from the House

MAY 6 198516. Read, referred to Committee on ECONOMIC DEVELOPMENTMAY 17 1985

17. Reported favorably

18. Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

19. Ordered not printed.

MAY 27 1985

20. Regular order of business suspended by

unanimous consent
(a viva voce vote.)
(yeas, nays.)

21. To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.

MAY 27 1985

22. Read second time

passed to third reading by:
(a viva voce vote.)
(yeas, nays.)

_____ 23. Caption ordered amended to conform to body of bill.

MAY 27 1985

_____ 24. Senate and Constitutional 3-Day Rules suspended by vote of 30 yeas,
_____ nays to place bill on third reading and final passage.

MAY 27 1985

_____ 25. Read third time and passed by

(a viva voce vote.)

(31 yeas, 0 nays.)

OTHER ACTION:

OTHER ACTION:

Betty King

Secretary of the Senate

5-27-85

_____ 26. Returned to the House.

MAY 27 1985

_____ 27. Received from the Senate (with amendments.)
(as substituted.)

_____ 28. House (Concurred) (Refused to Concur) in Senate (Amendments) by a (Non-Record
(Substitute) Vote) (Record Vote of _____ yeas, _____ nays, _____ present,
not voting).

_____ 29. Conference Committee Ordered.

_____ 30. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record
Vote of _____ yeas, _____ nays, and _____ present, not voting).

MAY 27 1985

_____ 31. Ordered Enrolled at 11:18 pm

HOUSE OF REPRESENTATIVES
MAY 28 3 09 PM '85